

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6595

BILL NUMBER: SB 327

NOTE PREPARED: Jan 3, 2015

BILL AMENDED:

SUBJECT: Charity Gaming.

FIRST AUTHOR: Sen. Leising

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: **GENERAL**
 X DEDICATED
 FEDERAL

IMPACT: State

Summary of Legislation: The bill provides that the prize for a progressive bingo game may not exceed \$2,000. It provides that the total prizes for a one pull tab, punchboard, or tip board game may not exceed \$10,000. (Current law provides the total prizes to not exceed \$5,000.) It provides that the prize limit for a game using a seal card is \$1,000 and a progressive or carryover pull tab game is \$5,000.

The bill removes certain information requirements concerning patrons and prize winners. It requires that a qualified organization may pay for licensed supplies only with a check drawn on or by an electronic funds transfer from the qualified organization's gaming account. It provides that a licensed distributor may obtain licensed supplies to be used in charity gaming only from an entity licensed by the Indiana Gaming Commission (IGC) as a manufacturer or distributor or from certain qualified organizations.

Effective Date: July 1, 2015.

Explanation of State Expenditures: The provisions in the bill could lead to additional administrative costs for the IGC. The agency's current level of resources should be sufficient to implement these changes.

Explanation of State Revenues: Increasing the maximum allowable prize for some bingo, pull tab, punchboard, and tip board events could lead to increased participation and increased adjusted gross revenue earned by charity gaming organizations. This could increase revenues from charity gaming license fees. While the initial license fee is \$50, annual renewal fees range from \$50 to \$26,000 depending on the adjusted gross revenue earned by an organization on charity gaming in the prior year. Adjusted gross revenue is the gross revenue minus facility rent, up to \$200. Since the bill is effective July 1, 2015, any impact on licensee

fee revenue could begin in FY 2016.

The provisions in the bill related to obtaining and providing supplies for charity gaming purposes will not have any fiscal impact. Some of these provisions are codifying the existing IGC administrative rules.

Additional Information - In FY 2014, the charity gaming license fee generated about \$3.8 M. Revenue from the license fee is distributed to the Charity Gaming Enforcement Fund. After (1) the costs of charity gaming administration are subtracted and (2) distributions are made to the License Control Division and the Gaming Control Division, revenue remaining in the fund is distributed quarterly to the Build Indiana Fund.

The bill makes the following changes related to charity gaming.

(1) Current law provides that the prize for any one bingo game may not exceed \$1,000. The bill allows the prize for a progressive bingo game, which is authorized in the bill, to be up to \$2,000.

(2) Current law requires that a single winning prize in a pull tab, punchboard, or tip board game may not exceed \$599. The bill increases that limit to \$1,000 in a game using seal card, and \$5,000 in a progressive or carryover pull tab game, which is authorized by the bill.

(3) Current law requires that the total prize awarded for one pull tab, punchboard, or tip board game may not exceed \$5,000. The bill increases that limit to \$10,000.

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected:

Local Agencies Affected:

Information Sources: Indiana Administrative Code 21-2-4; *Charity Gaming Annual Report FY 2013*, Indiana Gaming Commission, <http://www.in.gov/igc/2479.htm>

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